Second Quarter 2024 Results

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Par Chadha, Executive Chairman
Matt Brown, Interim Chief Financial Officer

[Webcast Link]

Forward-Looking Statements: Certain statements included in this presentation are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "may", "should", "would", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential", "seem", "seek", "continue", "future", "will", "expect", "outlook" or other similar words, phrases or expressions. These forward-looking statements include statements regarding our industry, future events, estimated or anticipated future results and benefits, future opportunities for Exela Technologies, Inc. ("Exela" or the "Company"), and other statements that are not historical facts. These statements are based on the current expectations of Exela management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties, including without limitation the network outage described herein and those discussed under the heading "Risk Factors" in our most recent annual report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission ("SEC") on April 3, 2024, and any updates thereto in the Company's quarterly reports on Form 10-Q and current reports on Form 8-K, as well as the "Risk Factors" section of our prospectus supplements and tender offer documents filed with the SEC. In addition, forward-looking statements provide Exela's expectations, plans or forecasts of future events and views as of the date of this communication. Exela anticipates that subsequent events and developments will cause Exela's assessments to change.

These forward-looking statements should not be relied upon as representing Exela's assessments as of any date subsequent to the date of this presentation.

Non-GAAP Financial Measures: This presentation includes constant currency, EBITDA and Adjusted EBITDA, each of which is a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). Exela believes that the presentation of these non-GAAP financial measures will provide useful information to investors in assessing our financial performance, results of operations and liquidity and allows investors to better understand the trends in our business and to better understand and compare our results. Exela's board of directors and management use constant currency, EBITDA and Adjusted EBITDA to assess Exela's financial performance, because it allows them to compare Exela's operating performance on a consistent basis across periods by removing the effects of Exela's capital structure (such as varying levels of debt and interest expense, as well as transaction costs resulting from the combination of Quinpario Acquisition Corp. 2, SourceHOV Holdings, Inc. and Novitex Holdings, Inc. on July 12, 2017 (the "Novitex Business Combination") and capital markets-based activities). Adjusted EBITDA also seeks to remove the effects of integration and related costs to achieve the savings, any expected reduction in operating expenses due to the Novitex Business Combination, asset base (such as depreciation and amortization) and other similar non-routine items outside the control of our management team. Optimization and restructuring expenses and merger adjustments are primarily related to the implementation of strategic actions and initiatives related to the Novitex Business Combination. All of these costs are variable and dependent upon the nature of the actions being implemented and can vary significantly driven by business needs. Accordingly, due to that significant variability, we exclude these charges since we do not believe they truly reflect our past, current or future operating performance. The constant currency presentation excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency revenue and Adjusted EBITDA on a constant currency basis by converting our current-period local currency financial results using the exchange rates from the corresponding prior-period and compare these adjusted amounts to our corresponding prior period reported results. Exela does not consider these non-GAAP measures in isolation or as an alternative to liquidity or financial measures determined in accordance with GAAP. A limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Exela's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures and therefore the basis of presentation for these measures may not be comparable to similarly-titled measures used by other companies. These non-GAAP financial measures are not required to be uniformly applied, are not audited and should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Net loss is the GAAP measure most directly comparable to the non-GAAP measures presented here. For reconciliation of the comparable GAAP measures to these non-GAAP financial measures, see the slide titled *Reconciliation of non-GAAP measures*.

Rounding: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

Exela at a Glance

LEADER IN BUSINESS PROCESS MANAGEMENT WITH $1.1 BILLION IN 2023 REVENUE

AWARD-WINING SOLUTIONS AND SERVICES WITH PROVEN TRACK RECORD

30+
Years of Experience in Business Process Automation

4,000+
Global Customers Across 14 Industry Verticals

60+
Percent of the Fortune® 100 has Partnered with Exela

GLOBAL FOOTPRINT

Liquidity Solutions:

- Procure-to-Pay
- Order-to-Cash
- Expense Management
- Finance and Accounting Services

Payment Technologies and Services

Human Capital Management

Healthcare Payers and RCM

Hyper-Automation and Work from Anywhere (WFA) Services

AI led Cybersecurity, Infrastructure, Marketing Automation Services and Solutions

Award-winning best-in-class solutions and services

Leader	Healthcare Payer Operational Transformation
Leader	Intelligent Automation in HealthCare
Leader	Medical Coding Operations
Major Player	Revenue Cycle Management
Major Contender	Revenue Cycle Management
Emerging Player	Hackett's FAO Value Matrix, 2023
Major Player	F&A Cloud BPS
Niche Player	Finance and Accounting Business Process Outsourcing
Major Contender	Financial Crime and Compliance
Contender	Intelligent Automation Solutions & Services
Major Contender	Finance and Accounting Services
Major Contender	HealthCare Payer Operations
Leading Provider NEW	Task-Centric Automation
Disrupter	Talent Acquisition BPT

Big picture

Successful execution + Cost management = Delivering Positive Results

01

Drive operating leverage

02

Invest in growth

03

Manage effects of network event

04

Optimize Cash and credit facilities

2Q 2024 at a Glance

Revenue **$246M** YoY (10.0%) ▼ Sequentially (5.1%) ▼	**Gross Margin** **23.5%** YoY 1.2% ▲ Sequentially 1.5% ▲	**Adj EBITDA [(1)]** **$13.7M** YoY (39.0%) ▼ Sequentially 6.7% ▲	**Interest Expense** **$23.1M** YoY (48.7%) ▼ Sequentially 9.7% ▲
Glassdoor Rating 3.6 ★	**Employees** **13.1K** YoY (14.9%) ▼ Sequentially (3.7)% ▼	**SG&A** **$41.8M** YoY 30.5% ▲ Sequentially 2.3% ▲	**Net Loss** **$(26.9M)** YoY +$4.0M ▼ Sequentially ($1.3M) ▲

(1) See Appendix for reconciliation of Adj EBITDA to EBITDA

Earnings Highlights

Reduced Fixed Costs Driving Gross Margin Expansion

- Gross margin increased to 23.5%, up 120 bps year-over-year and 150 bps sequentially
- Improvement in Net Loss of $4.0M year-over-year, driven by improved gross margins and reduced interest expense due to debt modification in July 2023
- $10.1M in write-downs driven by a partner contract amendment, which provided higher pricing and service expansion, but resulted in lower straight-line revenue recognition and related contract assets
- $25+ million annualized savings in process

In ($) MM's	2Q 2023	2Q 2024
Sales	$272.9	$245.7
Operating Profit (loss)	11.2	(2.4)
Net Loss	$(30.9)	$(26.9)
Adj EBITDA	$22.5	$13.7
% EBITDA Margin	*8.2%*	*5.6%*

Financial Highlights

Revenue and Gross Margin Growth by Segment

Information and Transaction Processing Solutions

Revenue $156.8M
YoY (15.2)%

Gross Margin 17.2%
YoY (1.7)%

Healthcare Solutions

Revenue $62.9M
YoY (1.1)%

Gross Margin 32.4%
YoY +6.3%

Legal and Loss Prevention Services

Revenue $25.9M
YoY +6.3%

Gross Margin 39.7%
YoY +1.4%

Financial Updates

Highlights

1. 120 bps year-over-year GM improvement
2. $40.9M in new ACV won (+50% sequentially)
3. 119 new logos (+40% sequentially)

Lowlights

1. ACV renewal rate declined to 74% ($14.1M Renewed)
2. Need to expand liquidity
3. NASDAQ delisting risk

Appendix / Reference

Reconciliation of non-GAAP measures – Revenue and Adjusted EBITDA

($ in millions)	Three months ended June 30,		Year ended (YTD) June 30,	
	2024	2023	2024	2023
Revenues, as reported (GAAP)	**$245.7**	**$272.9**	**$504.5**	**$546.6**
Foreign currency exchange impact (1)	0.3	0.4	(0.4)	3.6
Revenues, at constant currency (Non-GAAP)	**$246.0**	**$273.3**	**$504.1**	**$550.2**

($ in millions)	Three months ended June 30,		Year ended (YTD) June 30,	
	2024	2023	2024	2023
Net loss (GAAP)	**($26.9)**	**($30.9)**	**($52.5)**	**($76.3)**
Income tax expense	2.0	2.5	5.2	5.2
Interest expense, net	23.1	45.1	44.2	89.3
Depreciation and Amortization	15.0	14.9	28.5	31.5
EBITDA (Non-GAAP)	**$13.2**	**$31.6**	**$25.4**	**$49.6**
Transaction and integration costs	0.0	2.9	0.2	8.1
Non-cash equity compensation	0.4	0.2	1.6	0.3
Other charges including non-cash	-	0.3	-	0.2
Loss/(gain) on sale of assets	0.1	0.7	(0.5)	0.8
Loss/(gain) on business disposals	-	(6.5)	-	(6.5)
Debt modification and extinguishment costs (gain), net	-	(6.8)	-	(15.6)
Adjusted EBITDA	**$13.7**	**$22.5**	**$26.6**	**$37.0**

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three and six months ended June 30, 2023 to the revenues during the corresponding period in 2024.

Defined Terms in Presentation and Notes

1. ACV: Annual contract value in $ USD
2. ACV Renewal Rate: Success rate of ACV renewals in percent
3. ACV Won: Total $ USD New ACV value won in Salesforce in quarter

Q&A